

## INFORMATION AND INSTRUCTIONS FOR COMPLETING THE MOTOR VEHICLE FUEL SUPPLIER TAX RETURN

### OVERVIEW:

Tax returns accompanied by the payment must be filed **monthly and must be postmarked by the twenty-fifth of the month following the reporting period.**

If the tax is paid by electronic funds transfer, the net amount due the state (Line 19) shall be submitted on or before the 10th calendar day of the 2nd month immediately following the reporting period, except May of each year when the tax will be due on the last business day of June. For example, if the tax return is due January 25th, moneys are due on February 10<sup>th</sup>.

*The tax **must** be paid by electronic funds whenever the amount due is fifty thousand dollars (\$50,000) or more.* Each year, a reporting and EFT payment schedule will be provided by the department.

Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on Lines 1 through 9 or on Schedules A and B.

Negative or credit dollar amounts must be enclosed in parentheses.

### REQUIRED FORMS/DOCUMENTS:

- Washington Motor Vehicle Fuel Supplier Tax Return (Form FT-441-753)
- Fuel Tax Multiple Schedule of Receipts (Form FT-441-846)
- Fuel Tax Multiple Schedule of Disbursements (Form FT 441-841)
- Exemption Certificate for Sales to the United States Armed Forces and/or National Guard (if applicable) (Form FT-441-147)
- Support Schedule for Washington Power Pumping and PTO Credit (if applicable) (Form FT-441-244)
- Schedule of Oxygenated Fuel Distributed (if applicable) (Form FT-441-856)
- Support Schedule of Non-Payment of Tax From Purchaser (if applicable) (Form FT-441-781)

### RECORDS YOU WILL NEED:

Records must be kept for five (5) years for all Motor Vehicle Fuel received, sold, distributed or used for own consumption.

These include invoices, bills of lading, and other papers as required by the Department.

Use either gross or net gallons (temperature corrected to 60 degrees) consistently throughout your tax return.

When title or possession passes, a distribution has occurred (Example: "book transfer" or "exchange"). Physical movement of fuel is **not** a requirement for a distribution to take place. A transaction that merely settles an exchange balance without a transfer of title or possession is not a distribution.

Information provided on this return may be disclosed to the Internal Revenue Service.

### TAX RETURN INSTRUCTIONS:

**Computer generated forms will be accepted if the format is identical to that of the Department**

**NOTE:** *It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.*

- A. Enter the year and month for which the tax return is being submitted.
- B. Place an "X" in each box that applies.

- **No Operations:** If you had no motor fuel operations during the reporting period, you must still file a tax return to avoid revocation of your Motor Vehicle Fuel Supplier license.
- **Amended Returns:** To report changes for a previous tax reporting period, an amended tax return must be filed for that specific period. Amended tax returns must be filled out completely, rather than showing only the changed amounts. These changes should not be included in the current tax return.

Note: The procedures for calculating the penalty, interest and the net amount due are different for amended returns. (See instructions)

- **Late Returns:** Late returns require payment of penalty and interest, if taxes are due.
  - **Name Change:** You must provide your current business name. If you just purchased or incorporated your business, a new application for license must be completed.
  - **Address Change:** Please provide both the correct physical and mailing address(es).
- C. Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Motor Vehicle Fuel Supplier License.

*The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 902-3600 or TTY (360) 664-8885.*

D. **Cancel License:** To cancel your license, place an "X" in the box and indicate an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date of cancellation. All fuel taxes must be paid on remaining inventory.

**Line 1.** Enter your physical Motor Vehicle Fuel inventory in the authorized terminal rack (in Washington only) at the beginning of the tax reporting period. This amount must be the same as the ending inventory reported on your previous tax return.

**Line 2.** Enter total fuel received (Total from Schedule A).

**Line 3.** Enter your physical inventory in the authorized terminal rack (in Washington only) at the end of the tax reporting period.

**Line 4.** Compute total accountable gallons (Line 1 plus Line 2 minus Line 3).

**Line 5.** Enter tax exempt gallons distributed (Total from Schedule B).

**Line 6.** Enter taxable gallons (Line 4 minus Line 5).

**Line 7.** Enter the number of Motor Vehicle Fuel gallons claimed for power take-off credit. Complete the PTO and Power Pumping Credit supplemental schedule and attach to tax return.

**Line 8.** Enter the amount of fuel purchased in **Washington** on which the fuel tax was paid (Line A1 from Schedule A).

**Line 9.** Enter your motor fuel allowance (Total from Schedule C).

**Line 10.** Enter net taxable or credit gallons (Line 6 minus Line 7 minus Line 8 minus line 9).

**Line 11.** Compute the Motor Fuel Tax (Line 10 times fuel tax rate).

## PENALTY COMPUTATION

**Line 12.** If taxes are owed on Line 11 and you are filing a late tax return (i.e., it's postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 11 times 2% and enter the result on Line 12.

For an **amended** tax return, compute Line 11 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 2% and enter the amount here.

**Line 13.** Enter the sum of Line 11 plus line 12.

## INTEREST COMPUTATION

**Line 14.** If Line 13 is greater than zero, multiply that

amount by 1% (compounded interest) times the number of months the tax return is late. A partial month is considered a full month. Interest is due by the first day of the month following the payment due date. See the schedule provided by the Department.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from Line 11.
- (b) add the amount from Line 12.
- (c) multiply the result by 1% (compounded interest) by the number of months the payment is late.

**Line 15.** Enter the total fuel tax liability (line 13 plus line 14).

**Line 16.** If this is an **amended** tax return, enter all payments applicable for this reporting period.

**Line 17.** Enter credit for non-payment of tax from purchaser. Complete the schedule of Failure to Pay Fuel Taxes and attach to tax return.

**Line 18.** Enter the sum of line 16 plus line 17.

**Line 19.** If the total of line 15 minus line 18 is greater than zero, this is the amount owed.

Checks should be made payable in United States funds to the Washington State Treasurer.

All payments of \$50,000.00 or greater **must** be made in electronic funds. If you are using this method, place an "X" in the EFT box.

**Line 20.** If the total of line 15 minus line 18 is less than zero, this is the net refund amount.

If the credit is \$2,000 or more, copies of Washington tax paid invoices supporting Line A1 must accompany the tax return. The Department **MAY** request copies of invoices to support refund claims for less than \$2,000. Original invoices must be retained for audit purposes.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. INCLUDE CONTACT NAME AND TELEPHONE NUMBER

Mail the tax return (with payment, if applicable) to:

Department of Licensing  
Fuel Tax Section  
PO Box 9048  
Olympia, WA 98507-9048  
For information, call (360) 664-1852

## INSTRUCTIONS FOR COMPLETING SCHEDULE A

**Line A1.** Enter **ALL** Motor Vehicle Fuel gallons purchased/received directly into an authorized terminal rack for which you have **paid the Washington Motor Fuel Tax**. Transfer Line A1 to Line 8 of the tax return. Complete the Fuel Tax

Multiple Schedule of Receipts supplemental schedule and attach to the tax return.

**Line A2.** Enter **ALL** Motor Vehicle Fuel gallons received directly into an authorized terminal rack from Washington licensed Suppliers and Importers on which you have **not paid the Washington Motor Vehicle Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to the tax return.

**Line A3.** Enter **ALL** Motor Vehicle Fuel gallons imported into Washington from other states and shipped directly to customers and/or non-licensed bulk storage. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to the tax return.

**Line A4.** Enter **ALL** Motor Vehicle Fuel gallons imported into Washington from other states and placed into authorized terminal rack. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to the tax return.

**Line A5.** Enter **ALL** Motor Vehicle Fuel gallons received from any other source on which you have **not paid the Washington Motor Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts supplemental schedule and attach to the tax return.

Examples include (but are not limited to) storage gains, transportation gains, temperature adjustments for refiners and product returned by customers.

**NOTE:** Motor fuel refined, produced, blended or manufactured must be reported on line A5.

**Transfer the total of fuel received (lines A1 through A5) to Line 2 on the tax return.**

#### **INSTRUCTIONS FOR COMPLETING SCHEDULE B**

**Line B1.** Enter number of Motor Vehicle Fuel gallons sold without charging the fuel tax to Washington Licensed Suppliers. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to the tax return.

**Line B2.** Enter number of Motor Vehicle Fuel gallons sold and delivered by you (or a common carrier hired by you) from Washington to a place outside of Washington. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule, indicating the states where the fuel was delivered and attach schedule to the tax return.

**Line B3.** Enter number of Motor Vehicle Fuel gallons sold by you to a licensed Exporter. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to the tax return.

**Line B4.** Enter number of Motor Vehicle Fuel gallons sold to the United States Armed Forces or the National Guard for use exclusively in ships or for export from

this state.

Exemption Certificate(s) for Sales to the United States Armed Forces and/or National Guard must also be attached. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to the tax return.

**Line B5.** Enter number of Motor Vehicle Fuel gallons sold to qualified foreign diplomatic consular missions and their personnel. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to the tax return.

**Line B6.** Enter the number of Motor Vehicle Fuel gallons used for your own consumption.

**Line B7.** Enter number of gallons for which the Motor Vehicle Fuel Tax has not been paid which are lost due to temperature adjustments.

**Line B8.** Enter number of Motor Vehicle Fuel gallons sold or used for any other exempt purpose; include tax exempt losses from bulk storage and transportation. Do not include losses due to evaporation, shrinkage or unknown causes. All losses not substantiated by acceptable documentation are taxable. Complete the Fuel Tax Multiple Schedule of Disbursements supplemental schedule and attach to the tax return.

**Transfer the total of fuel distributed (lines B1 through B8) to Line 5 on the tax return.**

#### **INSTRUCTIONS FOR COMPLETING SCHEDULE C**

Line C1 and C2 must be reported separately to distinguish the difference between sales to non-licensees and own taxable sales and sales to licensees.

Line C1. Enter taxable gallons from line 6 on front of return into columns A and B.

The sum of columns A and B must equal line 6 on the front of the return.

Line C2. Enter tax paid purchases from line 8 on front of return into column A.

Line C3. Enter total of line C1 minus line C2 into columns A and B.

Line C4. Taxable handling allowance rates:

If you are a Motor Vehicle Fuel supplier acting as a distributor, you will receive one-quarter of one percent (.0025).

If you are any other licensee, other than an exporter, you will receive thirty one-hundredths of one percent (.0031).

Line C5. Enter taxable handling allowance gallons into columns A and B (line C3 times line C4).

**Transfer the total handling allowance (sum of line C5, columns A plus B) to line 9 on tax return.**